

STATE OF THE CITY AND GOALS FOR 2016

CITY OF STAFFORD, TEXAS

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BY MAYOR LEONARD SCARCELLA

The world is changing in a most dramatic fashion. And, it is having profound implications on preparing for our City's future. The recent terrorist attacks in Paris, France and San Bernardino, California have sent an unmistakable shot across the bow such that we can no longer dismiss the devastating potential threat to all American and European cities with "soft targets," which certainly includes us. Coupling that ominous warning with the plummeting decline in oil prices, *déjà vu* 1986, or worse, which severely crippled our economy three decades ago, poses a similar chilling scenario for our City today - - especially since we are in the epicenter of the Oil Patch.

For the previous four years, this address has centered on the sale of the iconic 192-acre tract on the Southwest Freeway commonly referred to as the "TI Property". No more! The fabled near half-century reign of Texas Instruments in Stafford is history. The well-recognized company sign that had stood since the late sixties is gone. The land is now owned by Street Level, a Dallas developer that has promised to transform the City through an elaborate, multi-use redevelopment project which could cost upwards of a half-billion dollars and require a dozen years or more to complete. Proposed are a mix of shops, restaurants, apartments, hotels, and offices. The developer just announced Monday that work on the project would begin later this year, and the project should open in the summer of 2017.

Rolling these conflicting factors into this volatile setting and preparing for advisable action in this complex environment are most challenging. Despite this, what is consoling is that Stafford has encountered many difficult obstacles before - - some quite similar - - and risen to the occasion. Our experience in these demanding settings combined with adhering to proven solid principles - - living within our means, a zero property tax, no general obligation debt, avoiding a bloated bureaucracy, and enhancing our productive resources - - has allowed us to overcome before. Moreover, those principles provide the underpinnings for moving forward - - and succeeding in 2016.

Before looking ahead, a review of the year that was offers an insightful perspective.

One happening having profound impacts on the City is last May's mayoral election when Councilman Robert Sorbet challenged Mayor Leonard Scarcella. A spirited campaign resulted in Scarcella soundly beating back the challenge by garnering 64% of the vote to only 35% for Sorbet. But instead of recognizing and supporting the will of the people, for the past eight months, Sorbet, who has been in the second year of a two-year Council term, has clearly set his sights on impeding the Mayor's administration. Nothing could be more illustrative than this meeting. Sorbet handed out a one-sheet proposal last week to Council that this Annual Town Meeting should be significantly revamped. Thus, eliminated from this meeting to inform the public are presentations by the Department Heads which have been most informative and insightful. Instead, we will have an hour by Council members to support or attack this "State of the City".

To provide some context, just imagine if, when President Obama recently gave the "State of the Union," each of the 535 Congressmen had ten minutes to take issue, criticize, demean, and disparage the President. In that

instance, instead of taking an hour for the President's "State of the Union" message, as it did, it would literally have taken ten hours and certainly denigrated the image of this country. Somehow, Council bought into this most disparaging approach. Tonight, we shall see whether Council's format is constructive or negative.

Another rare and unanticipated circumstance has arisen: The loss of highly-valued, experienced department leaders. Nothing is more important than the personnel a city has to deliver services. Over the years, Stafford has put together a truly outstanding team which Council members and the public have often commended. Impacted by Father Time, the retirement of three of our most tenured and capable employees transpired. Leading that distinguished list is Police Chief Bonny Krahn, who was acclaimed for 45 years in the uniform and was the longest-serving police chief in Texas, a fact extolled by many, led by the Governor. Besides the Police Department, he oversaw the Fire and Emergency Management Departments, and handled them all extremely well.

Adding to the list of those stepping to the sidelines are City Secretary Bonnie Baiamonte, who combined two tours, interrupted by raising two young children, for more than a quarter century of astutely guiding the City's administration. Assisting Ms. Baiamonte for almost a dozen years and elevating this significant component of operations has been Assistant City Secretary Marian Rocha. Not only have both women gained recognition for their efficiency but also for embellishing the City's image with their most effective and pleasant demeanor. Each exits her office at the end of this week.

Joining these retirees is City Engineer Charles Russell, who is relinquishing his position with our municipality after six-and-a-half years and who has led Public Works since 2011. Not only has he overseen the Street, Parks, and Maintenance Departments and economic development but also

has orchestrated numerous major projects. Moreover, he did what no other of our employees has done - - obtained a \$2.5 million refund from the State, and that coming from the Texas Department of Transportation's U.S. 90A project.

With these retirements and resignation, a restructuring of many aspects of our municipal operations is necessitated. The Police and Fire Departments are at the forefront of this revised arrangement. Richard Ramirez, previously the Assistant Chief, has been appointed Interim Police Chief. The Fire and Emergency Management Departments have been severed from their connection with the Police division and placed under Fire Chief Larry DiCamillo.

A major and most surprising change resulted when Chief DiCamillo appeared before Council a couple of months ago to urge a major expansion in the personnel of the Fire Department asserting that the City currently has deficiencies which could lead to serious and undesirable consequences. The solution he proposed, as a so-called "fix" and adopted by a majority of Council, was to add six full-time firemen and a training officer to the Department. This would have led to the elimination of an overtime cost of \$12,000 a year but resulted in an annual escalation of over \$800,000. Although there are numerous questions related to this, one that is still of concern to the Mayor is that the Stafford Fire Department has aggressively pursued and achieved an ISO rating of One, which places it at the top 2/10 of one percent of all firefighting units in the U.S.A., and translates to us being rated higher than all but 60 of the 47,000 other remaining firefighting departments in the Nation. The question: If indeed this City has such glaring gaps and is more highly rated than the other tens of thousands of such departments and more highly acclaimed than 99.8% of all fire departments, why aren't there far greater catastrophic consequences of this nature to these thousands of lower-rated departments? Consolidate that with the recent push to refurbish Fire Station

No. 2. That cost, as approved in the budget adopted September 30, 2015, was \$430,000. In a report on the progress of this project last week, Chief DiCamillo said the cost had now risen to over \$900,000. But, under questioning and additional information, the City has obtained from an architectural firm that the cost could actually be as high as \$2.3 million. This, at the very least, demands a thorough and responsible assessment of this speculative proposal.

As a result of the departure of Chief Bonny Krahn, City Council determined it appropriate that a full audit be conducted of the Department's operations, for the protection of Chief Krahn, as well as the next full-time Chief, and the betterment of overall police functions. That audit is being conducted by McGrath Consulting Group, Inc., a highly-touted firm with headquarters in Wonder Lake, Illinois. A final report should be forthcoming by early March.

The departure of Charles Russell, who has been addressing major drainage issues, road improvements, and street and sidewalk installations and repairs, leaves a substantial gap in view of the many facets that were under his direction. In order to move this effort forward, last week, the Mayor appointed Cristin Emshoff, the number two person in the Public Works Department, to serve as Interim Public Works Director until such time as a full-time appointment could be made. There was strong objection by some members of Council claiming she was not qualified and rejected the appointment. This is in spite of her excellent resume and her outstanding educational background, one of the most distinguished of any City employee. Even more importantly, she has been vitally involved in all the major projects of the Department. Additionally, she was selected and recommended by Fort Bend County Commissioner James Patterson to help lead the development under consideration by the Greater Fort Bend Economic Development

Council. Needless to say, Ms. Emshoff was quite discouraged by City Council's rejection of her. Coming to the rescue for this City is former long-time and retired Public Works Director Lawrence Vaccaro who has graciously volunteered to fill that position on a part-time basis for a couple of months and which, hopefully, Council will approve next week. Additionally, Mr. Russell had made significant progress with the improvements to Brand Lane and the intently-watched drainage improvements in Missouri City Estates, Vaccaro Manor, and Sugar Creek. The latter of which has been delayed by the City of Sugar Land with whom we are cooperating. Unbelievably, the advisability of this project, which has been in the works for several years as a joint collaboration with Sugar Land, has been questioned by Council members claiming there is no flooding there. Further, Mr. Russell had embarked on an aggressive program to materially improve the intersection of West Airport Boulevard and Murphy Road. In fact, he was so successful in working with TxDOT and the Houston-Galveston Area Council that an arrangement he negotiated would allow for these improvements to be primarily funded by these other agencies at a cost savings to the City of over \$1 million. This will remain high on the agenda after Mr. Russell's departure; however, the extensive contribution to these efforts cannot be overlooked or discounted.

Significant activity transpired over the past 12 months in the Building and Zoning Department headed by Director Chris Riggs. Zoning has gotten much attention and will get even more. Mr. Riggs recently presented Council with a thorough analysis of Specific Use Permits which are an integral provision of zoning. Overseeing building activities is an equally major aspect. The adoption of an amended Comprehensive Plan by Council in December, which was orchestrated primarily by Ms. Emshoff working with consultants, provided added emphasis to new construction in the City and especially single-family residential on smaller lots - - an approach approved last year and

likely to be elevated as we go forward. This Plan which was a year-and-a-half in the making and cost \$150,000 provides a blueprint that the City will utilize until the Year 2040. Goals are contained in the Plan, but the Planning and Zoning Commission and City Council need to clearly spell out priorities and their funding.

One of the strengths of this City has been our Municipal Court system. With two unique motorcycles, traffic ticket activity has increased to near where it once was. This should provide greater safety on our highways and streets and some added activity in our Court Department. Its director, Nicole Nguyen, who has been at the helm over the past 16 years, has astutely guided this Department to such a degree that outside auditors have often recognized its - - and Ms. Nguyen's - - outstanding achievements and excellence.

Stafford has been a leader in elevating telecommunications, from first creating S-METV, which televises all City and SMSD meetings, to gaining a broad viewing audience. This production has been elevated to a level so that anyone interested in the formal functions of the City can readily access these activities on the Internet - - and a growing number living outside of Stafford utilize this outstanding feature. Carolyn Entricht, who is the Director of the station and who works in conjunction with the Houston Community College on television broadcasts, has constantly brought about innovations to this service. New heights in this service are expected as a result of an upgraded contract under negotiation with HCC.

Ms. Entricht is also the Director of the Information Technology Department. Significant advancements in technology occasioned by substantial investments have advanced the communications and interconnectivity of all aspects of the City.

A critical element of all City operations is channeled through the Department of Finance. Headed by the outstanding guidance of Director

Karen Austin, this Department oversees not only all financial budgeting aspects but human resources and insurance components as well. With a staff of only four, the excellent oversight of these vital areas is performed with efficiency and effectiveness.

Noteworthy and troubling has been a suit by the City's Emergency Management Coordinator claiming a failure of Ms. Austin and the City to properly administer our healthcare system. The City has announced it will defend against these allegations.

On the subject of the City's self-funded health insurance coverage, it must be recognized that this benefit is one main reason many employees of this City have chosen to work, and stay, here. The benefits for both employees and dependents - - health, dental, vision, and prescription drugs - - are often lauded by many including experts in the field, and practicing physicians.

One of the most critical aspects of the City's operation is the adoption of the annual budget. Last September, the Mayor presented the budget as he has done and recommended it to Council for over four decades. Prior to the submittal, there was a challenge raised as to the timeframe and process the Mayor was employing. The City Attorney rebuffed this assertion stating that the procedures and timeframe employed by the Mayor were dictated not only by the City's Home Rule Charter but also the State Constitution. Despite this, upon submittal of the budget, Council approved a motion requiring the Mayor to make \$3.2 million in cuts, prioritize them, and present them to Council at the following meeting. The Mayor, after strongly and fervently objecting, complied and comported to this most unreasonable dictate by Council. Ironically, after Council received this detailed report, not one member advocating that document ever raised it for discussion. Not only was the

budget approved with none of those requested cuts, but Council went well over \$1 million with additional expenditures.

Often heralded as one of the brightest luminaries in the City's universe is the Stafford Centre. Susan Ricks, as Administrator, oversees and coordinates with FMsquared and its Operator and President, Mr. Bryan Blaum, to bring a myriad of outstanding activities to this now well-recognized venue. Nothing more epitomizes this than the performance in November by Willie Nelson - - one of a host of nationally acclaimed stellar performers to grace our stage - - to a full house and lavishly praised by attendees and the media. Obviously, the accommodations of the Performing Arts Theatre cover the theatrical events of plays, ballets, and concerts; while in the Convention Centre, luncheons, seminars, weddings, galas, and a myriad of other activities keep the parking lot full and the lights on throughout the year. Most notable is the degree of envy displayed by other communities in trying to meet, match, or exceed what Stafford put into play on a vacant cow pasture 12 years ago and what has attracted more than three million attendees to this venue.

Built in 1986, the Stafford Civic Center is still one of the finest multi-use facilities in Fort Bend County. Ms. Ricks also supervises the numerous events that occur in this 900-seat, multi-use facility which also serves as the auditorium for the Stafford Municipal School District. Improvements during the past year continue to make this facility one that people still applaud as it enters its thirtieth year of operation.

We would be remiss to fail to extol the pleasures received from the City's swimming pool, which also is under the direction of Ms. Ricks. Our children, SMSD students, visiting swim teams, and so many others enjoy this outstanding, Olympic-size pool.

This provides a segue to our outstanding relationship with HCC, now more than 30 years and having produced the HCC Stafford Campus which

has the largest enrollment of any of HCC's other major campuses. Currently, a \$21 million Workforce Development Center is being constructed on the Stafford Campus. This has even more significance, in view of today's floundering economy and the tens of thousands of layoffs in the area, for those who will be seeking an improved and expedited path to regaining employment.

The apex of the educational component of this City always lies with the Stafford Municipal School District, created in 1977 and embarking on the fortieth year when the City and citizens announced they were creating a breakaway school district from Fort Bend ISD and Houston ISD to provide Stafford students elite educational opportunities. After six years of contentiousness and litigation culminated in a July 1981 opinion by the Fifth Circuit Court of Appeals in New Orleans ordering its implementation, SMSD has provided that opportunity to Stafford students. A most controversial element in the current SMSD makeup is that of Limited Open Enrollment students, in most instances, coming from the "failing and faulty" schools in surrounding districts. Extolled by the current Board as being highly beneficial to our District's status for getting \$5,000 per student per year from the State in educating these outsiders, they, however, conveniently ignore the more than \$10,000 a year it costs to educate each of these pupils fleeing from where their parents are paying taxes and freeloading off of Stafford taxpayers. What is most distressing about this policy is that SMSD currently has a student body of 3,400 students, more than 800, or a fourth of which are LOEs. In fact, the Superintendent is so enamored with importing students that he has suggested that SMSD seek to expand to a school district with 6,000 students. He fails to address the tens of millions of dollars this will cost Stafford taxpayers to educate these students and the hundreds of millions of dollars they will have to pay for facility enhancements to nearly double the capacity of our schools. Equally alarming is that there is no mention about the location of these

facilities. Will they be on our Staffordshire campus - - the long-extolled attribute amplified in federal court arguments of having all of our students on one campus? And, whatever happened to our commitment to academic excellence for Stafford students? An added area completely ignored by the Board and Administration is the number of Stafford students who are denied scholarships and entrance into state universities, because those opportunities, in many instances, are being usurped by the LOEs instead of being made available to our Stafford students.

Another aspect that is of great consternation to many in the City, and especially those who work for the benefit of Stafford students, is that the Board gives lip service while continuing to diminish the District's diversity. This is especially disheartening when considering that our City has one of the most diverse populations of any municipality in the U.S.A. and, contrastingly, a school district formerly noted as having a student body resembling the children of United Nations representatives, but now with no semblance of embracing diversity.

Along these lines, the City of Stafford takes great pride in extolling the diversity in this City of peoples of all races, cultures, and creeds. In spite of the national controversy, one must work to find another city where diversity is so pronounced and embraced. What is a paradox is how politicians seeking election to sit on our City Council and the SMSD Board completely discount the vast disparity between the diverse makeup of the City and the continuing diminution of diversity at SMSD - - but, instead, tell the voters to support them because they will be working for the best interest of Staffordians and especially its children. Nothing could be more disingenuous!

One of the most important elements of the City is the Stafford Economic Development Corporation. Under the leadership of the new President, Councilman Wen Guerra, revised approaches are being considered.

However, it should not be and cannot be overlooked as to the significant monies exceeding \$11 million that the SEDC has been able to accumulate since its creation in 1999 and the recent substantial influx of businesses - - Holiday Inn Express, Fairfield Inn, McDonald's, Starbucks, PALS, Raceway, Five Below, TownePlace Suites, Houston Badminton Center - - resulting from a long-advocated policy by the Mayor to solicit development on the basis of a "model" encompassing a zero property tax, no general obligation debt, living within our means, and not bribing developers and paying them kickbacks, albeit legal. Thus, from day one, all businesses in the City have operated on a level playing field.

One project that had strongly differing support and opposition was a proposed three-and-a-third mile sidewalk from Scanlin Road to Cravens Road. After heated debate and an early morning decision culminating from an eight-hour Council meeting, the result was the approval of Council for a mile-and-a-half sidewalk from Scanlin Road to South Main Street at a cost of \$625,000. Oddly included in that cost are street lights estimated at \$125,000 but with no assurance that they will provide adequate lighting at night to the more than half-a-million dollar sidewalk. Allegedly, one of the main reasons for building it was so people could walk on it at night.

Most recently, an ordinance garnering significant interest, input, and controversy is the proposal to revise the City's existing animal ordinance. Although a revised ordinance has been presented by the City Attorney, the debate might be best summed up by a statement that the ordinance leans more toward a "kill all the cats" than to a "no-kill" policy providing for the adoption of cats. What has surprised many is the growing support of animal rights groups from not only within the City but also throughout the area and as far away as Austin. These supporters of a "no-kill" policy see Stafford, which has accomplished so many innovative goals, as being the one place that will

focus on the facts and search vigorously for the humane treatment of cats and dogs. The list is growing of those people who have come to recognize that Stafford City Council appears willing to listen to a compassionate approach to dealing with pets that provide so much pleasure and comfort to so many - - especially children and the elderly - - and placing that above a cat messing up a neighbor's flower bed. Next week, Council will be considering revisions to this just released proposed ordinance and soliciting public comments. It promises to be a most entertaining and fervent debate. Hopefully, Council will work with those desiring to preserve our pet population to adopt a truly progressive and humane ordinance.

Another topic which continues to receive significant focus is residential development within the City, including preservation and enhancement of existing single-family homes each of which generally requires a 7,200-square foot lot. Most agree that, with the urbanization of the City, smaller lots sizes and homes are worthy of consideration and implementation; but, new homes are only part of this discussion. Enforcement of regulations on elevating existing housing, many quite old, is something most believe should be actively pursued.

In today's world, a city and most entities must have an attractive and informative website. After months of exploring options from across the country, Jonathan Farmer, in Public Works, unveiled a new website which was not only embraced by City Council but also by virtually everyone using it.

Speaking of Mr. Farmer, one of the saddest chapters to occur in this City recently was the acceptance and subsequent relinquishment by him of the new position of City Secretary. This was after gaining the appointment of the Mayor and the approval of the majority of Council. In fact, when told of his selection last Thursday, Mr. Farmer, who had been to California to get a most precious service dog, was elated. However, upon returning to the office

the day before yesterday, those in opposition to his appointment had conversations and a lunch with Mr. Farmer. When the Mayor met with him that afternoon to discuss his new duties, he appeared most disturbed and stated he would not be accepting the role as the new City Secretary. This was very disheartening. Mr. Farmer is one of the brightest, most astute, talented, sensitive, and innovative young individuals the City has employed and who would have brought a new dimension to the City Secretary's position. Tragically, we will never see that potential evolve. And, this unfortunate development should not ignore the significant setback it deals to his career.

This brings us full circle to the most critical consideration of the day: Acting responsibly in dealing with the plummeting price of crude oil which is the mainstay of the City's economy and, thus, threatens the stability of our City. The City's zero property tax has attracted the majority of our businesses and placed us on strong economic underpinnings - - not to mention the thousands of residents who live here because of this policy. Consolidate that with a four-decade principle of living within our means and, recently, the elimination of all general obligation debt. The volatility posed by this precipitous drop in fossil fuels is a serious threat that has not been encountered since at least 1986. In spite of many who seem to downplay or discount the potential impacts of this, they are simply hiding their heads in the sand. Putting it in clear context, the *Houston Chronicle* recently had its headline story as "Oil Bust Called Worst since 1970". Regardless of one's politics, it is imperative to act prudently and responsibly in light of these circumstances. It will require a forthright confrontation with reality. In spite of those saying, "We need this," or "We must have that," city leaders must have the principle and fortitude to ask, "How bad do we need this?" and "Can we truly afford it?" Those postulates are difficult if not improbable for City Council to be able to readily accept, yet are imperative to our continued prosperity and

the delivery of excellent services. And, who would consider it wise or responsible to gouge taxpayers with a property tax in these most perilous of times?

One discussion - - which is how we began this message - - that must be addressed in a most aggressive manner regardless of our political differences: fully preparing for a terrorist attack. While spelling out details would be counterproductive and unnecessarily expose the City's first responders, there must be a most aggressive and innovative approach to protecting our citizens, workers, and all who come to enjoy the benefits of this City. Like it or not, we cannot and must not ignore the threat posed by those religious zealots with a twisted and deranged ideology. This commitment must be made with no equivocation.

So, what goals do we set in place to address the status in which we find ourselves and elevate this City in view of these most daunting challenges and circumstances?

GOALS FOR 2016

1. PREPARE ASTUTELY FOR TERRORIST ATTACKS.

It is quite easy to reduce the focus of the threat of terrorism each day that goes by unless there is a shocking reminder. And, then it may be too late! Our first priority has to be astute preparation for potential terrorist attacks. What happened in both Paris, France and San Bernardino, California could well happen in Stafford. Immediately after the Paris attacks, we began an aggressive approach of preparing for these type of instances which are so horrifying. Regardless, we can never be too vigilant or too prepared nor can

we let our guard down for a moment. Still, we must do all that is prudent to safeguard our citizens, our many students, workers, and all who enjoy the fruits this City provides.

2. RECOGNIZE THE CRISIS OIL PRICE CRASH WILL HAVE.

Plunging oil prices, which have dropped more than 75% from the \$107 figure in 2014 to just over \$26 a barrel last week, bring back frightening memories of the crippling impact that this precipitous decline in oil prices will have on Stafford. Every analysis indicates it will be as bad as in 1986 when it was horrific, and possibly worse. This City has prepared well for the rainy day. Suffice it to say that the best analogy is that we are in a severe economic storm. This demands that City Council take all appropriate action to reign in City expenditures so we can ride out this most devastating occurrence. How long it will last, no one knows. But, it must be remembered that the calamity that began in 1986 was still having adverse effects here well into the early nineties. Those wanting to paint this in a flippant way must be downplayed. We must batten down all the hatches and not be ashamed or timid to emphasize the need to do so.

3. FORCIBLY CULTIVATE DIVERSITY.

Diversity for over a decade-and-a-half has been touted by the City as a strong attribute. It must continue to be presented in that light. Those who place any one race, culture, or creed above any other will only diminish and undermine the future of Stafford. Having all races, creeds, and cultures working, playing, studying, praying, and living together is this City's clearest hope at being the best it can be. Those who continue to maneuver to

undermine the strength of diversity should be called to task and challenged vigorously.

4. FOCUS SMSD OPPORTUNITIES FOR STAFFORD STUDENTS.

While approaches to SMSD and its future are hotly-contested matters and which will be the heart and soul of this May's election to select City Council and School Board members, there should be two undeniable and unimpeachable components to this effort: First, we must provide the maximum educational opportunities for Stafford students with special emphasis on elevating their academic achievements. Next, we must aggressively attempt to encourage every Stafford child to obtain their primary and secondary education from SMSD. That's the least we can do to live up to the promises made when we created this District.

5. MAKE SERIOUS ASSESSMENT OF RESIDENTIAL DEVELOPMENT.

The amended Comprehensive Plan and those participating in its development kept coming back to some aspect of elevating the existing residences and those new residents that are desired for the City. City Council, as well as the Planning and Zoning Commission, must shine a spotlight on this aspect of our City's improvement and future. While the economy may be a deterrent to residential development in the City, it should not detract from our commitment for improving all aspects of our residential communities.

6. AMPLIFY THE STAFFORD CENTRE.

This outstanding venue is not only one of our brightest shining stars but also can well assist fighting against the negative impacts of a reeling economy. We must do everything in our power to promote and elevate it, and we must give full recognition that our neighbor to the west is opening a facility this year that will be quite impressive and a substantial new challenge for the Stafford Centre which we have not had in our dozen years of existence. Council will be entering into a new contract with its operator. Hopefully, this will add even more stability to a strong and successful promotion of this innovative and extolled venue.

7. MAINTAIN A RESPONSIBLE APPROACH TO ECONOMIC DEVELOPMENT.

With new leadership in the Stafford Economic Development Corporation, there seems to be growing desire to do what so many others are doing: Throw money at developers and businesses to have certain commercial establishments locate in our City. This approach is meeting with increased opposition from experts across the country noting the very spotty success records. Locally, the economic enticements provided from the City of Sugar Land to Schlumberger is a glaring example, especially in light of the company's thousands of layoffs recently. Considering the dire circumstances in which we are likely to find ourselves, and the increased value of cash in the bank, it makes little sense to hire some economic guru who is intent on beating his chest while dressed in a Santa Claus outfit doling out the City's hard-earned cash. Stafford has never paid anyone to locate here and, before doing so, must demonstrate an unequivocal and irreproachable assurance of gaining value for the precious monetary outlays that some seem so willing to

throw around. Looking back to the eighties and the last time we had a similar oil crash, it was so difficult to entice quality business to our community that the Greater Fort Bend Economic Development Council was formed to fight the deleterious effects of that strangled economy. On this topic, there is one number which is worthy of reflecting: \$1,300,000,000. This is the amount of sales required on the old TI Property necessary to generate the \$26 million the developer was asking in City subsidies.

8. AVOID A BLOATED BUREAUCRACY.

There are those who will continue to advocate expanding the City's bureaucracy. That has already begun with the Fire Department and others anxious to pursue a similar course. It should be remembered that this City has never handed out a pink slip. Hiring people who overly burden the cost of City operations to an extent greater than the services that they provide, and are necessary, brings about the irrefutable law of diminishing returns. This is something so many cities are trapped in, thus, bringing these entities to a brink of financial calamity. For a glaring example, look no farther than our neighbor, Houston, with whom we have a common boundary. There are persistent media reports that they may be teetering on financial insolvency, mainly as a result of firemen and policemen pensions and a bloated bureaucracy.

9. DEMAND CANDOR IN CITY COUNCIL MEETINGS.

Playing "gotcha" is no way to run a city or city council meeting. It happened twice just last week! Certain Council members seem to relish in blindsiding others to get what they want while preaching transparency or excusing themselves for their ineptitude or lack of effort in furnishing information for a thorough and insightful discussion. And, then to add insult

to injury, they insist upon work shopping their personal agenda items in spite of totally failing to provide memorandums to fully explain their subject. This is in stark contrast to what the Mayor and Department Heads are required to furnish for Council's agenda packets five days before the meeting. Our City and citizens are entitled to openness and forthrightness as opposed to fending against being caught off guard.

This City has gotten to where it is largely on the basis of trust which others place in it and the Council - - and certainly not on using deception to try to gain undue advantage.

10. AVOID GENERAL OBLIGATION DEBT.

Attained a little more than a year ago was the City's extinguishment of all general obligation debt. This is an achievement few municipalities have obtained. It makes funding of major projects more difficult when there must be reliance on cash reserves. However, there should be no misunderstanding. All of this City's monies go to pay for these improvements and equipment, and not to pay for interest-carrying charges for the next 30 years. Fiscal responsibility places a heavy burden on governmental entities to be prudent and judicious with the funds they generate. Stafford has been one of the few in the Nation to achieve this latitude.

11. PRESERVE ZERO PROPERTY TAX.

Initiated in 1995 with the abolition of all property taxes in the City, both residential and commercial, this underpinning of the City's economy has gained it significant acclaim and recognition from the halls of Congress to the State House of Texas but, far more importantly, has induced many residents and businesses to locate in Stafford. Often, there are those who want to

gouge taxpayers, like all cities Stafford's size or larger do, under the premises of being able to provide services and facilities. The record clearly illustrates that the strong leanings of those who believe in high taxation are more - - not because of what property taxes accomplish, but because it allows city leaders to throw around money more easily. Furthermore, the circumstances in which we and all of our neighbors currently find ourselves vividly illustrate that what our citizens - - both individuals and corporations - - clearly do not want or need in these adverse circumstances is a property tax to further burden them as they try to claw their way through this declining financial malaise.

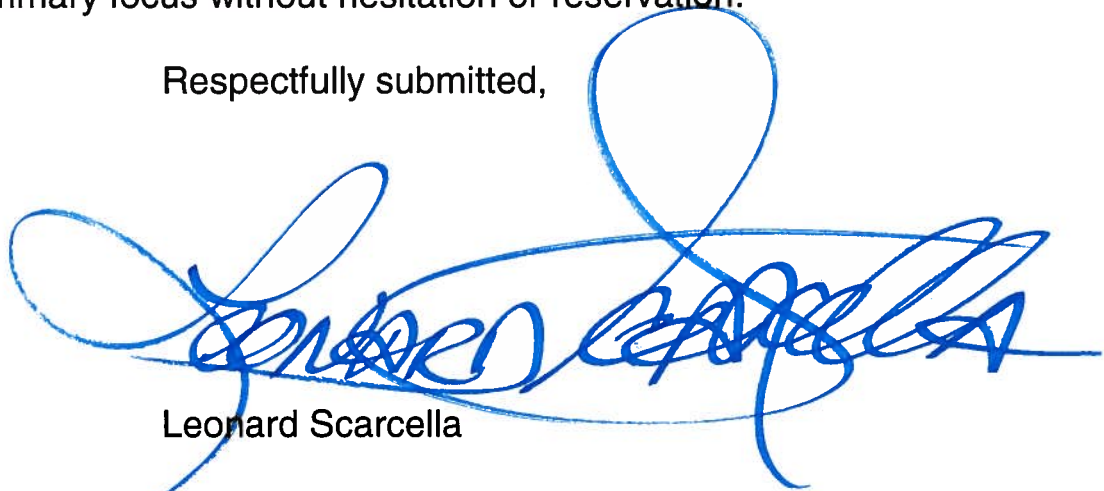
12. LIVE WITHIN OUR MEANS.

Whether it be the property tax, general obligation debt, bloated bureaucracy, or some equally unwise fiscal policy, it all comes down to living within our means. Families throughout this City have learned how to do it, exercise restraint to accomplish it, buy what they can afford, and avoid what they can't. In contrast, government leaders including some in our City often express the view, "Well, it would be nice to have it." No one would argue with that; however, that is not the responsible approach, not the one this City has pursued for decades, and not what these free spenders seem so intent imposing to achieve their political promises - - and certainly not what our residents and businesses want.

CONCLUSION

There is no question that Stafford is entering a period of most formidable challenge. Terrorism, as is now being waged against American citizens, is most difficult to combat. But, that does not preclude every effort to be as vigilant, effective, and prepared as possible. Combine that with the oil crash that is attacking the very essence of the heart of our economy and it is abundantly clear that the City will need to manage its affairs in 2016 in a most astute and responsible manner. We've been there before three decades ago. We know what we must do. That does not make it any easier, especially when there are those who would suggest we ignore these circumstances and try meeting their many desires. In spite of that fact, this City must be responsive, innovative, and aggressive in administering and protecting the needs of its citizens under these most adverse circumstances. That must be our primary focus without hesitation or reservation.

Respectfully submitted,

A large, stylized handwritten signature in blue ink, likely belonging to Leonard Scarcella, is written over the text of the letter. The signature is fluid and cursive, with a large loop at the end.

Leonard Scarcella

Mayor, City of Stafford